



0000097376

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

MAY - 5 2009

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF
KACY PARKER dba ARROYO WATER
COMPANY FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY TO PROVIDE
WATER SERVICE AND FOR APPROVAL OF
THE SALE OF ASSETS TO KACY PARKER.

DOCKET NO. W-04286A-04-0774

DECISION NO. 70974

ORDER EXTENDING TIME
DEADLINE CONTAINED IN
DECISION NO. 70206

Open Meeting
April 28 and 29, 2009
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the
Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. On October 19, 2004, Kacy Parker dba Arroyo Water Company, Inc. ("Arroyo Water" or "Company") filed an application with the Arizona Corporation Commission ("Commission") in the above-captioned docket for a new Certificate of Convenience and Necessity ("CC&N") and for approval of the sale of the Company's assets to Kacy Parker.

2. Arroyo Water Company, Inc., is an Arizona public service corporation engaged in providing water utility service to approximately 86 customers in a portion of Gila County.

3. On March 20, 2008, the Commission issued Decision No. 70206, which approved the application of Arroyo Water for a CC&N to provide water service and for approval of the sale of assets to Mr. Kacy Parker. As a condition of approval, the Commission required the Company to submit a number of compliance filings, including a requirement that Arroyo Water "... file with Docket Control, as a compliance item in this docket, a copy of the ADEQ [Arizona Department of

Environmental Quality] Approval of Construction for the necessary storage additions and other improvements by August 31, 2008.”

4. On September 9, 2008, the Company filed a letter requesting an additional 60 days to comply with the Approval of Construction (“AOC”) filing requirement.

5. On February 12, 2009, the Commission’s Utilities Division Staff (“Staff”) filed a Memorandum recommending that Arroyo Water be granted an extension of time, until December 31, 2009, to submit its AOC for the storage additions and other improvements¹. In its Memorandum, Staff points out that Arroyo Water has complied with all of the numerous compliance requirements of Decision No. 70206, with the exception of the AOC filing. According to Staff, the Company has complied with the following requirements:

- a. Filing of Arizona Department of Water Resources (“ADWR”) well ownership records;
- b. Filing of approved rates and charges;
- c. Filing of evidence of maintaining its books and records per the National Association of Regulatory Utility Commissioners (“NARUC”) Uniform System of Accounts;
- d. Installation of a well meter;
- e. Filing of documentation evidencing the final sale and transfer of assets to Mr. Parker;
- f. Filing of Annual Reports through 2007;
- g. Filing of a curtailment tariff;
- h. Filing of a backflow prevention tariff;
- i. Filing proof of payment of all items to the Gila County Treasurer;
- j. Filing a franchise agreement with Gila County;
- k. Filing proof of procurement of a performance bond; and
- l. Filing of ADEQ water quality monitoring reports.

6. Staff’s February 12, 2009, Memorandum also indicates that the Company’s ADEQ compliance reports show that Arroyo Water has no major deficiencies and that it is delivering water that meets minimum water quality standards. Staff claims that the compliance efforts undertaken by Arroyo Water demonstrate the Company’s “good faith effort” to address the numerous compliance requirements set forth in Decision No. 70206, and shows that Arroyo Water has made “substantial

¹ Attached to Staff’s Memorandum is a letter from Arroyo Water dated December 2, 2008, requesting an extension of the AOC filing requirement until the end of 2009. It appears that the Company’s December 2, 2008, letter was sent to the Compliance Division but was not filed by the Company with Docket Control as a separate item.

1 progress" in complying with ADEQ and Commission requirements. Based on the compliance efforts
2 achieved by the Company, Staff states that it does not object to the extension of time requested for
3 filing of the AOC.

4 **CONCLUSIONS OF LAW**

5 1. Arroyo Water Company, Inc., is a public service corporation within the meaning of
6 Article XV of the Arizona Constitution and A.R.S. §40-281 et seq.

7 2. The Commission has jurisdiction over Arroyo Water and the subject matter of the
8 application.

9 3. Staff's recommendation is reasonable and should be adopted.

10 **ORDER**

11 IT IS THEREFORE ORDERED that the Arroyo Water Company, Inc.'s request for an
12 extension of time to comply with Decision No. 70206 is granted in accordance with Staff's
13 recommendation. The Company shall file with Docket Control, as a compliance item in this docket,
14 by December 31, 2009, a copy of the ADEQ Approval of Construction for the necessary storage
15 additions and other improvements.

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IT IS FURTHER ORDERED that in all other respects Decision No. 70206 shall remain in full force and effect.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.



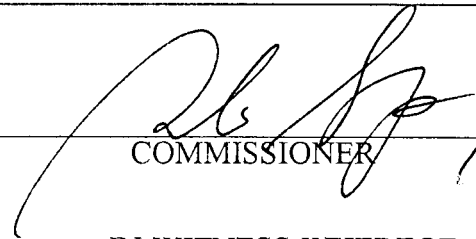
CHAIRMAN



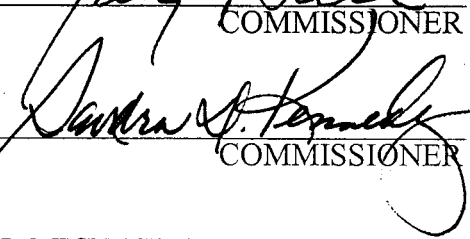
COMMISSIONER



COMMISSIONER



COMMISSIONER



COMMISSIONER

IN WITNESS WHEREOF, I, MICHAEL P. KEARNS, Interim Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 5TH day of MAY, 2009.


MICHAEL P. KEARNS
INTERIM EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

1 SERVICE LIST FOR:

KACY PARKER dba ARROYO WATER COMPANY

2 DOCKET NO.:

W-04286A-04-0774

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4 Kacy Parker dba Arroyo Water Company, Inc.
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